

## **New Optional Retirement Program (ORP) Fund Lineup Available**

This is the fourth in a series of communications regarding the new fund lineup that became available July 1, 2006, under the University of North Carolina Optional Retirement Program (ORP). Many of you have already taken action and redirected your contributions and the University's contributions to those approved funds that are part of the new ORP fund line up. **Others of you have not yet taken any action and will need to do so by December 31, 2006.**

**If you currently have contributions allocated to funds that are not part of the new ORP fund lineup, these contributions will automatically be reallocated to the appropriate lifecycle fund offered by the carrier in which you invest, beginning January 2007. Therefore, if you do not want these contributions to default to the lifecycle fund in January, then you must contact your current ORP carrier to redirect these funds. *Each ORP carrier will be happy to provide a strategy to help you direct future contributions and, if you so choose, transfer existing balances to an approved fund with a similar objective.***

**Under the ORP, you may elect to allocate your contributions and the University's contributions to one carrier, or you may elect to allocate your contributions to one carrier and the University's contributions to another carrier. It is also possible to transfer existing account assets from one ORP carrier to another ORP carrier, as permitted by the carrier.**

This new selection of funds provides a broad array of investment choices while providing comprehensive coverage along the risk/return spectrum. The ORP carriers are offering investment funds in each asset class that they consider among the best in class, based on competitive returns at competitive and reasonable fees. Please take a few minutes to examine all of these new funds offered by the four carriers. The ORP carriers now have available, via their dedicated web sites, performance information for their respective funds that are part of the new fund lineup for quarter ending September 30, 2006, that you may access as follows:

- **AIG VALIC:** [www.aigvalic.com/UNCORP](http://www.aigvalic.com/UNCORP)
- **Fidelity Investments:** [www.mysavingsatwork.com/uncorp](http://www.mysavingsatwork.com/uncorp)
- **Lincoln Financial Group:** [http://enroll.newriver.com/Book\\_Comp.asp?BookId=1AWD185SDW554WEW463HGS3&](http://enroll.newriver.com/Book_Comp.asp?BookId=1AWD185SDW554WEW463HGS3&)
- **TIAA-CREF:** [www.tiaa-cref.org/uncorp](http://www.tiaa-cref.org/uncorp)

**TIAA-CREF Investors:** If you currently invest or plan to invest in TIAA-CREF, only one fund, the CREF Equity Index Account, will no longer be offered after December 31, 2006 under the ORP. Therefore, if you are currently investing in this account, you will need to redirect any contributions to a different fund or funds. *Except for the CREF Equity Index Account fund, all of the other TIAA-CREF funds continue to be available in addition to 11 new mutual funds.*

**AIG VALIC and Lincoln Investors:** If you currently invest or plan to invest in either AIG VALIC or Lincoln Financial Group, both of these ORP carriers have entirely new mutual fund lineups so you will need to redirect all of your future contributions by December 31, 2006. *None of the current funds offered by AIG VALIC or Lincoln will be available under the ORP after December 31, 2006.*

**Fidelity Investors:** If you currently invest or plan to invest in Fidelity Investments, only 20 funds will be available after December 31, 2006. *Therefore, you will need to review the new fund lineup and determine whether you will need to redirect contributions for those “deselected funds” (funds that will no longer be available under the ORP after December 31, 2006), to those approved funds included in the new fund lineup.*

**Don’t forget, you may choose to keep your existing ORP money in any deselected funds. However, new contributions to deselected funds will be prohibited after December 31, 2006.**

It is important to understand that if there are certain funds no longer available through the ORP in which you wish to invest, many of these funds may be offered through voluntary 403(b) supplemental retirement programs.

You may also wish to visit the UNC benefits website at [www.northcarolina.edu/hr/benefits/benefits.cfm](http://www.northcarolina.edu/hr/benefits/benefits.cfm) for more detailed information about these changes in the ORP.